

BUSINESS CLEARANCE MEMORANDUM**Number:** 18-0217**SECTION I – COVER AND SIGNATURE PAGES**

Type of Procurement Action: <input type="checkbox"/> Sealed Bidding <input checked="" type="checkbox"/> Full and Open Competition <input type="checkbox"/> Negotiated Under 10 U.S.C. 2304(b)(2) <input type="checkbox"/> Negotiated Under 10 U.S.C. 2304(c)() <input type="checkbox"/> Negotiated Under 40 U.S.C. 541 Brooks Act <input type="checkbox"/> Negotiated Pursuant to Changes Clause <input type="checkbox"/> Claim Settlement <input type="checkbox"/> Definitization of Letter Contract <input type="checkbox"/> Final Price (Incentive, Redeterminable, or EPA)	Type of Clearance: <input checked="" type="checkbox"/> Pre-Negotiation <input checked="" type="checkbox"/> Post Negotiation <input type="checkbox"/> Letter Contract
Solicitation/Contract Number: N66001-16-R-0118/N66001-18-D-0023 Activity: Space and Naval Warfare Systems Center, Pacific (SSC Pacific)	
Contractor(s): Name: SAIC City/State: Reston, VA	
Program: Tactical Networks (TACNET) In-Service Engineering Agent (ISEA) Description of Supplies/Services: SSC Pacific, Code 41250 Afloat Networks Branch, has a requirement to provide sustainment support of integrated afloat and ashore tactical networks (TACNET). The subject contract will enable SSC Pacific to provide its customers with ISEA support, technical and engineering assistance, design analysis support, network information assurance accreditation, installation, integration, sustainment, and Life Cycle Support (LCS). The Product Service Code (PSC) for this requirement is J059: Maintenance, Repair, and Rebuilding of Equipment-Electrical and Electronic Equipment Components. The North American Industry Classification System (NAICS) Code for this contract is 541330 Electrical Engineering Services.	
Proposed/Pre-Negotiation/Post-Negotiation CPFF: Cost (Excluding COM) Cost of Money Total Cost Fee/Profit Total Ceiling Price Clearance Total \$196,526,884.00	
Performance Period: Includes a base period, which extends from the date of award to 36 months thereafter; and one, 24 month option.	
Prepared By: Name: Johannes Cardenas Title: Contract Specialist, SSC Pacific Code 22410 Phone: (619) 553-4331 Date: 12 June 2018	

Recommendation: Approval is requested to award an Indefinite Delivery Indefinite Quantity (IDIQ), Cost-Plus-Fixed-Fee (CPFF) and Cost (no fee) Contract to SAIC under solicitation number N66001-16-R-0118. Based on the analysis herein, the above referenced proposal represents the best value to the Government and the proposed price is reasonable and realistic. Recommend award be made based on initial offers without discussions as permitted by FAR 15.306(a) and 52.215-1.

(Note: Per FAR 15.404-4(c)(4)(ii), the Contracting Officer's signature on the price negotiation memorandum documents that the statutory price or fee limitations have not been exceeded.)

Contracting Officer:

Signature:

(b)(6)

Printed Name: Lynda Hall, Branch Head 22410

Phone: (619) 553-5197

Date:

Legal Counsel:

Signature

(b)(6)

Printed Name: (b)(6), Associate Counsel 35100

Phone: (619) 553-4702

Date:

Reviewer:

Signature:

(b)(6)

Printed Name/Title: Sharon M. Pritchard, Chief of Contracting Office, SSC Pacific

Phone: (619) 553-4492

Phone:

Date:

Approval:

GUNDERSON.NANC

Signature: Y.JANE.

(b)(6)

Printed Name/Title: 2.0 Director of Contracts / 2.0A Deputy Director of Contracts

Phone:

Date:

Unconditional Approval

Not Approved

Conditional Approval

Conditions (If applicable):

SECTION II. KEY DOCUMENTS/EXHIBITS/ATTACHMENTS.

A. Summary of Key Documents.

1. Acquisition Strategy/Plan: The Acquisition Strategy, documented in the Management and Oversight Process for the Acquisition of Services (MOPAS 2), was approved on 19 May 2016. The Acquisition Plan, No. 16-0183, was approved on 23 May 2017.
2. Procurement Request (PR): Planning PR No. 1300572499 was built on 6 September 2016.
3. Solicitation: N66001-16-R-0118 was issued on 29 September 2017. Amendment 0001 was issued on 26 October 2017. The closing date for proposals was 31 October 2017, 12:00 PM Pacific Standard Time.
4. Contractor(s) Proposal(s): Proposals were submitted in a timely manner by the three offerors identified below:
 - KOAM Engineering Systems, Inc. (KES) – CAGE 06SC2 (Business Size: Small)
 - McKean Defense (McKean) – CAGE 0PT02 (Business Size: Large)
 - SAIC – CAGE 6XWA8 (Business Size: Large)
5. Proposal Evaluation Reports:
 - DCAA Report(s): On 08 August 2017, DCAA Mid-Atlantic Regional Compensation Team (DMARCT) was contacted with a request to establish and provide direct labor rate recommendations for the 21 labor categories included under the subject solicitation using San Diego, CA as the locality. On 15 September 2017, DCAA replied with a list of recommended rates.
 - ACO Report(s): N/A
 - Technical Advisory Report: The Source Selection Evaluation Board (SSEB) Report with Combined Rating Sheets were finalized on 5 June 2018.
 - Past Performance Report: Included in SSAC Report referenced below.
 - Management Evaluation Report: N/A
6. Other documents as appropriate:
 - Source Selection Plan (SSP): Approved on 27 September 2017.

B. Attachments are as follows:

1. Determination and Findings (D&F) for Authority to Award a Single Source Delivery and Task Order Contract 17-0243 dated 22 June 2017.
2. RFP provisions L-TXT-12 “Submission of Proposals (Complex)(JUN 2017)” and M-TXT-06 “Evaluation Criteria and Basis for Award (Best Value)(JUN 2017).”
3. Source Selection Advisory Council (SSAC) Report finalized on 11 June 2018 and Source Selection Evaluation Board Report dated 5 June 2018
4. NMCARS Annex 9 Government Furnished Property Compliance Checklist.

Section III: PRE-SOLICITATION INFORMATION.

This business clearance memorandum (BCM) is submitted in the format prescribed by NMCARS 5215.406-90(d) and documents compliance with law, executive orders, regulations, and policy as outlined in FAR 1.602-2 and documents the principal elements of the negotiated agreement in accordance with FAR 15.406-3.

The purpose of this BCM is to request approval to award a single award IDIQ contract, under solicitation # N66001-16-R-0118, based on the initial offers. Based on analysis herein, the proposal from the recommended awardee represents the best value to the Government and the overall proposed price is fair and reasonable.

A. Description of Supplies/Services. SSC Pacific, Afloat Networks Branch, Code 41250, has a requirement to provide sustainment support of integrated afloat and ashore tactical networks (TACNET). The subject contract will enable SSC Pacific to provide its customers with ISEA support, technical and engineering assistance, design analysis support, network information assurance accreditation, installation, integration, sustainment, and Life Cycle Support (LCS).

The contract period of performance includes a 36 month base ordering period, followed by one, 24 month option. As discussed in the Acquisition Strategy (i.e. MOPAS 2) for this procurement, the solicitation was structured to promote the use of performance-based contracting methods at the task order level when specific requirements are known.

B. Background.

1. Procurement history.

- a. Weapon Systems do not apply to this acquisition.
- b. This acquisition is a follow-on requirement to existing contract N66001-15-D-0341.

The table below lists the previous SSC PAC TACNET contracts. Each of these contracts was competed following full-and-open competition:

<u>Contract Number</u>	<u>Contractor</u>	<u>Contract Type</u>	<u>Value</u>	<u>Period of Performance</u>
N66001-12-D-0156	SAIC	IDIQ/CPFF	\$86.5M	26 September 2012 - 25 September 2015
N66001-15-D-0341	SAIC	IDIQ/CPFF	\$79.9M	26 September 2015 - 25 March 2019

- c. This acquisition is not considered a “consolidated requirement” as defined by DFARS 207.170-2 or a “bundled requirement” as defined by FAR 2.101.
- d. This acquisition is not a modification to an existing contract.
- e. The proposed contract will not be subject to the Service Contract Act because the preponderance of labor categories are professional and account for the overwhelming majority of the level of effort.
- f. No other historical information is relevant.

2. Acquisition environment.

- a. This procurement is a negotiated acquisition in accordance with FAR Part 15.
- b. The acquisition approach for this procurement is full and open competition. As stated in the Acquisition Strategy and RFP, SSC Pacific contemplated the award of a single IDIQ contract with CPFF and cost (no fee) pricing arrangements.

- c. There were no other limitations governing which business concerns could propose; nor any other factors that might affect the Government's options to compete the procurement, such as Brand Name or Equal procurements (FAR 11.104), required sources of supplies/services (FAR part 8), or unsolicited proposals (FAR 15.6).
- d. To determine whether this acquisition should be restricted to small business interests, a Market Survey to determine small business capability was posted on SPAWAR e-Commerce Central from 27 April 2016 through 09 May 2016, reference number SSC-Pacific_MKTSVY_11C2D6. Eight responses from small businesses were received and evaluated. The technical capability statements received from the small businesses were reviewed by Code 42150 subject matter experts, who indicated none of the small businesses that responded to the survey were capable of performing 50% or more of the effort. The evaluation indicated that based upon evaluation of the responses to the market survey, SSC Pacific decided to compete the full scope of the requirement using full and open competition. The SPAWAR Office of Small Business Programs and the Small Business Administration concurred with the acquisition strategy for this requirement.
- e. Theater Business Clearance (TBC) requirements do not apply to the procurement as defined in NMCARS 5201.690(f).

C. Independent Government Cost Estimate (IGCE).

1. Method used for IGCE development. The IGCE was developed by Code 41250. The total IGCE for all five years is (b)(5). The IGCE is based on historical data from N66001-15-D-0341 and future planned program requirements. The estimated labor hours is 541,497 annually, totaling 2,707,486 across the five year period of performance.

2. Assumptions made. The IGCE utilized common labor categories for the type of tasks anticipated under the proposed contract. The IGCE was prepared with the intention to disclose the mixture of labor categories, level of effort, and estimated ODC and Material in the Request for Proposal (RFP). This facilitated a common basis for proposal and evaluation purposes.

3. Information estimating tools used. No estimating tools were used other than historical data and projected future needs.

4. Source of information: Average rates from the contractor currently satisfying requirements for services envisioned under this acquisition.

5. Compare estimates for previous procurements with the prices paid. The table below compares the total Labor, ODC, Fee, and Dollar Value from the IGCE for contract N66001-15-D-0341 with the actual cost to date, and the IGCE for solicitation N66001-16-R-0118.

	15-D-0341 IGCE 3-Years	15-D-0341 Actuals	16-R-0118 IGCE 5-Years
Labor	\$86,341,534.78	(b)(4)	(b)(5)
ODC/Material	\$9,224,001.00		\$25,080,000.00
Fee	\$3,453,661.39		(b)(5)
Dollar Value	\$99,019,197.17		

The contract ceiling under N66001-15-D-0341 (i.e. \$79,973,349.56) was roughly 20% lower than the IGCE (\$99,019,197.17). During the administration of contract N66001-15-D-0341, it was determined that there was insufficient ceiling to cover the increased customer demand and obsolescence of material. On 25 May 2016, a modification (P00007) was executed to extend the contract by six months and increase the ceiling

by \$13,438,705.14, which raised the ceiling from \$79,973,349.56 to \$93,412,054.70. On 31 October 2017 a Justification and Approval (J&A) was approved for an additional \$18,587,945.30 increase in ceiling to N66001-15-D-0341. The current ceiling is \$112,000,000. The significant increase in projected cost between the IGCE for solicitation N66001-16-R-0118 and the current contract ceiling for N66001-15-D-0341 is due to a combination of factors including: (b)(5)

(b)(5)	
(b)(5)	(b)(7)(e)(f)
(b)(7)(e)(f)	

events. Finally, unlike the previous contracts that had a three year performance period, the new requirement is for a five year period of performance.

D. Type of Contract.

1. As documented in the Acquisition Plan, solicitation N66001-16-R-0118 will result in the award of a single IDIQ type contract with Cost Plus Fixed Fee (CPFF) Contract Line Item Numbers (CLINs) for services, and Cost Reimbursement CLINs for Materials directly required to perform the services and Cost Reimbursement CLINs for ODC (inclusive of travel and incidental materials) costs. Both completion and level-of-effort (LOE) type task orders will be issued against the basic contract. The IDIQ type contract is best suited for the procurement because the Government is unable to readily define the quantity of services required to fulfill its needs, and is unable to determine when the services are needed. The IDIQ type contract requires the Government to order, and the contractor to furnish, a stated minimum quantity of supplies or services. The CPFF pricing arrangement will be utilized because uncertainties in contract performance do not permit costs to be estimated with sufficient accuracy to use a FFP type of contract. It is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence. As documented in the Acquisition Plan, cost, schedule, and performance risk were taken into consideration in selection of the contract type. A summary analysis of the technical schedule and cost risk is as follows:

- Cost risk: As a CPFF type contract, there are no guarantees that task orders will be completed within the estimated cost. As such, there may be times when additional funds may be required to continue performance. Based on the team's experience with predecessor contracts, the probability of this situation occurring is high for at least some task orders. Occasionally, completion form task orders have required additional funding. Historical cost increases have not significantly impacted the contractor's ability to meet the requirement. Therefore, the impact of this potential risk is low. Risk will be mitigated by SSC Pacific's management and oversight of work at the task order level. SSC Pacific will compare costs to previously acquired services of a similar nature, review spend rates as reported in monthly status reports, review invoices, and rate the contractor in Contract Performance Assessment Reporting System (CPARS) in the area of cost control.
- Schedule risk: There is a moderate level of risk associated with schedule, which stems from the high number of task orders that will be in place at any given time, variability in the size, scope, duration and value of each task order. TACNET's volume of work generates approximately 240 task orders annually, and roughly 84% of these task orders are considered "Urgent" Technical Assists in support of CASREPs. CASREPs require immediate notification to fix critical systems in a timely manner. As in the past, this risk has been mitigated by the use of source selection criteria that will maximize the likelihood of selecting the best value contractor.

- Technical Risk: The TACNET systems largely consist of: (1) Integrated Shipboard Networks System (ISNS), (2) Automated Digital Network System (ADNS), (3) Combined Enterprise Regional Information Exchange System – Maritime (CENTRIXS-M), (4) Submarine Local Area Networks (SubLAN), (5) Sensitive Compartment Information Networks (SCI Networks), and (6) Consolidated Afloat Networks Enterprise Service (CANES). There is risk associated with awarding to a contractor that lacks the technical capability to perform work on these crucial elements of work. In order to mitigate the risk of awarding to a contractor that lacks the technical knowledge and capability of working on the TACNET systems, the source selection criteria has been developed to maximize the likelihood of selecting the best value contractor. The best value contractor will be determined by reviewing the organizational experience, and identifying how well it demonstrated a respective contractor's ability to meet the requirements of the Performance Work Statement (PWS). This will reduce performance risk by providing insight into how offerors will become fully-staffed and communicate with the Government to address changing task order objectives. Additionally, technical risk is mitigated by SSC Pacific's management and oversight of individual tasks. SSC Pacific will: (1) utilize on-site oversight by technically-qualified Contracting Officer's Representatives (CORS) appointed at the task order level; (2) require scheduled progress and status reports and other data deliverables and (3) adhere to pre-established surveillance plans. By using the best value contractor with proven performance, closely monitoring contractor performance with highly-trained CORS, and communicating closely with the contractor, SSC Pacific can ensure that the services provided are adaptive and meet customer requirements.
- There are no actions planned to minimize the use of CPFF pricing or transition to FFP contracts. Firm fixed pricing is not realistic because uncertainties in contract performance related to the repair of satellite systems, often in an expedited manner (e.g. CASREPs) do not permit costs to be estimated with sufficient accuracy to use a FFP type of contract. A FFP contract would not be suitable for TACNET work, because it is not possible at the time of need to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

2. This acquisition is not a development contract. Therefore, DFARS 235.006 is not applicable.

3. This acquisition is not an incentive (FAR 16.4) or re-determinable (FAR 16.205/206) contract.

4. This is not an award fee contract (FAR 16.404, 16.405-2).

5. Options: The period of performance for this acquisition will consist of a 36 month base period and one, 24 month option period. In accordance with FAR 17.2, it is determined to be in the best interest of the Government to include an option period for continuity of operations in the likely event services are needed beyond the base period. The option period also provides the Government with a natural break point in the event that re-procurement is in the Government's best interests. If the Government encounters issues such as unfavorable pricing or poor contractor performance, the Government may elect to re-compete the requirement rather than exercise the option. The existence of an option incentivizes the contractor to provide high quality services at favorable prices.

E. Source Selection Planning.

1. As documented in the SSP approved 27 September 2017, the source selection process was as follows:

- a. The best value tradeoff approach, as defined in FAR 15.101-1 was used as the source selection process. This approach permits tradeoffs among cost or price and non-cost factors and allows the Government to accept other than the lowest priced proposal.

- b. The Government followed the source selection organization, evaluation criteria and basis for award as contained in the solicitation under provision M-TXT-06 Evaluation Criteria and Basis for Award (Best Value)(JUN 2017). The non-cost factors are reiterated below.

Factor I – Organizational Experience

Factor II – Past Performance

Factor III – Small Business Participation

Relative Importance of the Evaluation Factors: The non-cost evaluation factors, when combined, are significantly more important than cost. However, the degree of importance of cost will increase with the degree of the equality of proposals in terms of the non-cost evaluation factors.

Organizational Experience is significantly more important than Past Performance and Small Business Participation. Past Performance is more important than Small Business Participation.

- c. An evaluation of the extent of participation by small business and Historically Black Colleges and Universities and minority institutions as discussed in DFARS 215.304(c)(i) is not applicable for this solicitation.
 - d. FAR 19.1307 Price evaluation preference for HUBZone small business concerns does not apply since no HUBZone small business concerns proposed.
- 2. This acquisition is not for construction.
 - 3. This acquisition is not for two-phase design-build nor architect-engineer requirements.

F. Special Provisions.

- 1. Deviations from FAR, DFARS, NMCARS, or other DoD or Departmental regulations (DFARS Subpart 1.4/NMCARS 5201.403). N/A
- 2. Unusual controverted (disputed) cost clauses/re-opener clauses. N/A
- 3. Design to Cost (FAR 7.105(a)(3)(i)). N/A
- 4. Organizational Conflicts of Interest (FAR 9.504, This effort requires engineering services which may include management support, systems engineering, monitoring of system development, design and analysis, test and evaluation and implementation/integration. As noted in FAR 9.502, this may introduce an Organizational Conflict of Interest (OCI). To mitigate any OCI, the solicitation incorporated the following clauses: H-TXT-02 OCI (Systems Engineering), H-TXT-03 OCI (Specification Preparation), H-TXT-04 OCI (Access to Proprietary Information), H-TXT-05 Existing Organizational Conflict of Interest, and H-TXT-06 Organizational Conflict of Interest. The broad scope of the tasking under this contract does not allow for sufficiently mitigating OCI at the basic contract level. Therefore consideration of OCI will be part of the task order process. Pursuant to FAR 9.506, approval to use these clauses was obtained from the Chief of the Contracting Office, Sharon M. Pritchard, in the Organizational Conflict of Interest Memo dated 24 August 2017.
- 5. Small business incentive (FAR 19.705-5(a)(4) and DFARS 19.203). N/A
- 6. The Service Contract Act (FAR 22.1003-1) does not apply to this procurement. Desired Personnel Qualifications for all 21 labor categories were included in the solicitation.

7. Source Restrictions, such as Buy American Act or 10 U.S.C 2533a or b (FAR Part 25/DFARS Part 225). DFARS 252.225-7000 Buy American Act- Balance of Payments Program Certificate, and DFARS 252.225-7001 Buy American Act and Balance of Payments Program, were incorporated in this solicitation.

8. Rights in technical data (FAR Part 27/DFARS Part 227). DFARS 252.227-7013 Rights in Technical Data--Noncommercial Items, DFARS 252.227-7014 Rights in Noncommercial Computer Software Documentation, DFARS 252.227-7015 Technical Data—Commercial Items, DFARS 252.227-7016 Rights in Bid or Proposal Information, DFARS 252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions, DFARS 252.227-7019 Validation of Asserted Restrictions—Computer Software, DFARS 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends, DFARS 252.227-7027 Deferred Ordering of Technical Data or Computer Software, DFARS 252.227-7028 Technical Data or Computer Software Previously Delivered to the Government, DFARS 252.227-7030 Technical Data – Withholding of Payment, DFARS 252.227-7037 Validation of Restrictive Markings on Technical Data, and DFARS 252.227-7039 Patents – Reporting Of Subject Inventions were incorporated into the solicitation and will be incorporated into the resultant contract.

9. Unusual contract financing clauses, i.e., milestone billings, advance payments etc. (FAR Part 32/DFARS Part 232). N/A

10. Government Furnished Equipment/Material/Property (FAR Part 45/DFARS Part 245). Government-furnished property (GFP), equipment (GFE) and/or material (GFM) which is undetermined at this time, will be defined at the individual task order level. All appropriate FAR and DFARS clauses were included in the solicitation. In accordance with existing GFP requirements as found in FAR, DFARS and DoD Policy ASN (FM&C) 4340 dated 08 February 2016, GFP Compliance Checklist is attached to this BCM.

11. Special Tooling and Test Equipment (FAR 45.306 & 307) N/A

12. Warranty provisions to include cost benefit analysis (DFARS 246.704) and approval. N/A

13. Security Classification (DD Form 254). A Security Classification (DD Form 254) is incorporated at the “TOP SECRET” level.

G. Solicitation Review and Compliance.

1. The solicitation was developed in agreement with the Acquisition Strategy and the Acquisition Plan.
2. A legal review was obtained prior to issuance of solicitation.
3. Local Peer Review (LPR) of the solicitation and SSP was conducted at SSC Pacific on 27 September 2017 under case #17-037.

H. Synopsis.

A pre-solicitation synopsis for this procurement was issued in accordance with FAR 5.2 on FedBizOpps via the SPAWAR e-Commerce site on 20 June 2017.

SECTION IV – PRE-SOLICITATION COMPLIANCES (If approval/determination was included in another document, please note):

Check if N/A	DOCUMENT/APPROVAL CHECKLIST	Document Number, Approving Official & Date
	Acquisition Strategy (FAR 34.004) or Management Oversight Process for Acquisition of Services (NMCARS 5237.503)	MOPAS 2 approved by Dwayne Weaver, Deputy Assistant of the Navy for Acquisition and Procurement, on

		14 June 2017
	Acquisition Plan (DFARS 207.103)	Acquisition Plan 16-0222 approved by Dwayne Weaver, Deputy Assistant of the Navy for Acquisition and Procurement, on 14 June 2017
X	Waiver of Synopsis (FAR 5.202)	
X	Determinations and Findings (D&F) to exclude a source (FAR 6.202)	
X	Determination and Findings (D&F) for the Public Interest circumstances permitting Other Than Full and Open Competition (FAR 6.302-7)	
X	Justification for Other Than Full and Open Competition (FAR 6.303)	
X	Bundling contract requirements (FAR 7.107(c))	
X	Determination to consolidate contract requirements (DFARS 207.170-3)	
X	Determination of Commercial Item for FAR Part 12 Over \$1M (DFARS 212.102(a)(i))	
X	Determination to Use Commercial T&M or LH contract (FAR 12.207)	
	Source Selection Plan (DFARS 215.303)	SSP was approved by Sharon Pritchard, the SSA, on 27 September 2017
	Contract type determination (FAR 16.102(d)) (See FAR 16.601(d)(1) for Time & Materials or Labor Hours)	The contract type determination and supporting rational was documented in the AP and MOPAS2, referenced above.
	Determinations and Findings (D&F) to award a single award contract (FAR 16.504(c)(1)(ii)(D)(1))	D&F 17-0243 approved by Sean J. Stackley, Assistant Secretary of the Navy, on 26 January 2017
X	Award Fee Plan (FAR 16.405-2(b), PGI 216.405-2, PGI 216.470)	
X	HCA Determination to Use CPAF (DPAP memo April 24, 2007)	
X	Use of contract terms in excess of five years (FAR 17.204(e))	
X	Use of non-DoD contract vehicle (NMCARS 5217.7802)	
	DD Form 2579 Small Business Coordination Record (DFARS 219.201)	DD 2579 FY16-165-26 approved by Dean Dickau, SBA Representative, on 14 June 2016
X	Approval for expedited completion date for MILCON (DFARS 236.270)	
X	Authority to Contract out for Personal Services (NMCARS 237.104(b)(i))	
	Determination of Personal/Non-Personal Services (FAR 37.103)	This procurement is for non-personal services. Neither the contract terms nor the manner of its administration during performance will result in relatively continuous supervision and control of a Government officer or employee.
	Non-performance based acquisition (DFARS 237.170-2)	TBD on Individual Task Orders
	Government-Furnished Property Compliance Checklist (NMCARS 5245.103-73)	BCM Attachment A3.
X	Approval to use warranty (DFARS 246.704)	

	Federal Awardee Performance and Integrity Information System (FAPIIS) via PPIRS https://ppirs.ppirs.gov/ppirs/home.do	FAPIIS was reviewed by contract specialist on 27 March 2018.
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SECTION V – SOLICITATION.

Events during the solicitation process.

A. There were no exchanges with industry before issuance of the solicitation other than those discussed in Section III – B.2 and Section III – H herein (i.e. posting the pre-solicitation synopsis and posting a Market Survey). Any exchanges with industry between issuance of the solicitation and the receipt of proposals will be discussed in this section.

B. Solicitation N66001-16-R-0118 was made available via SPAWAR e-Commerce web site on 29 September 2017 with a proposal due date/time of 31 October 2017 at 12:00 pm Pacific time.

C. The RFP contained provision L-TXT-38 Submission of Electronic Proposals (JUN 2017), which allowed offerors to submit questions electronically no later than 10 calendar days prior to the proposal due date. A total of 22 questions were received before the deadline, and answers were provided in Amendment 0001, which was posted to e-Commerce on 26 October 2017.

D. SSC Pacific issued one (1) amendment to the RFP via the e-Commerce web site. Amendment required no changes to the acquisition plan. The date and purpose of the amendment is as follows:

- Amendment 0001 dated 26 October 2017, was issued to address questions and modify the solicitation to be in accordance with the answers provided.

E. There were no protests before closing of the solicitation.

F. Three (3) proposals were received by the closing date of the RFP. Accordingly, the Government determined that adequate competition was obtained. No explanations were received from potential offerors regarding why a proposal was not submitted.

G. Oral presentations (FAR 15.102) were not conducted for this procurement.

H. The table below reflects a summary of proposals:

Summary of Proposals

Offeror	Acceptability	Factor I Organizational Experience	Factor II Past Performance	Factor III Small Business Participation	TOTAL PROPOSED COST	FIVE YEAR EVALUATED (PROBABLE) COST
KES	(b)(5)				(b)(3), 10 USC 2305g, (b)(4)	
MCKEAN						
SAIC*					\$196,526,884.00	(b)(4)
(b)(4)						

**Note: Per the RFP the offerors were informed, "Offerors that receive a Marginal or lower evaluation rating for the Organizational Experience factor will not be further considered for award. Such offerors will not be evaluated in Step Two: Cost Analysis; or Step Three: Tradeoff Process."

SECTION VI – PRE-NEGOTIATION ANALYSIS.

The SSP and RFP provision M-TXT-06, “Evaluation Criteria and Basis for Award (Best Value),” explained that proposals would be rated and ranked using a three-step methodology. Step One is an evaluation of: (a) Acceptability of the Offer; and (b) Capability (including Organizational Experience, Past Performance and Small Business Participation). Step Two is an evaluation of the proposed cost. Step Three is a cost/technical trade-off analysis in order to determine the best value source selection decision.

The SSEB and SSAC membership is discussed in the SSP. The SSEB did not have access to cost proposal information during their evaluation of non-cost factors with the sole exception of the contract specialist, Johannes Cardenas and Contracting Officer, Lynda Hall. The SSEB produced a combined rating sheets/consensus document that identifies significant strengths, strengths, weaknesses, significant weaknesses, and deficiencies for each non-cost evaluation factor. The SSEB’s combined rating sheets identified an overall rating and narrative justification for each non-cost evaluation factor. The SSEB’s combined rating sheets document has been signed by all SSEB members.

The SSAC consolidated the ratings and evaluations from the SSEB into a written comparative analysis and recommendation for use by the source selection authority (SSA) in making the best-value decision. No minority reports were submitted, since the SSEB was able to reach consensus on all aspects. The final non-cost evaluation ratings were summarized in the Summary table of proposals contained in Section V.H.

Step 1(a) –Acceptability of the Offer

RFP provision M-TXT-06 stated:

The Government will determine the acceptability of each offer on a pass or fail basis. The Government will consider an offer to be acceptable when it manifests the offeror's assent, without exception or imposition of condition, to the terms and conditions of this Request for Proposals (RFP), including attachments and documents incorporated by reference. If an offeror takes exception to any of the terms and conditions of the RFP, imposes additional conditions or omits material information required by this RFP, the Government may consider the offer to be unacceptable. Unacceptable offers can only be corrected through discussions (see FAR 15.306(d)). The Government reserves the right to change the terms and conditions of this RFP by amendment at any time prior to the source selection decision.

Step 1(b) – Evaluation of Capability

The SSEB evaluated proposals against three non-cost capability factors: Organizational Experience (Factor I), Past Performance (Factor II) and Small Business Participation (Factor III). Risk was not evaluated as a separate factor, but was evaluated as one aspect inherent in the evaluation of Factor I. Organizational Experience was significantly more important than Past Performance and Small Business Participation. Past Performance was more important than Small Business Participation. An offeror’s Organizational Experience received one of the following combined technical/risk ratings:

Combined Technical Rating	Description
Outstanding	Proposal indicates an exceptional approach and understanding of the requirements and contains multiple strengths, and risk of unsuccessful performance is low.
Good	Proposal indicates a thorough approach and understanding of the requirements and contains at least one strength, and risk of unsuccessful performance is low to moderate.

Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements, and risk of unsuccessful performance is no worse than moderate.
Marginal	Proposal has not demonstrated an adequate approach and understanding of the requirements, and/or risk of unsuccessful performance is high.
Unacceptable	Proposal does not meet requirements of the solicitation, and thus, contains one or more deficiencies, and/or risk of unsuccessful performance is unacceptable. Proposal is unawardable.

Strength and Weaknesses	Description
Significant Strength	An aspect of an offeror's proposal that has appreciable merit or appreciably exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance.
Strength	An aspect of an offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance.
Weakness	A flaw in an offeror's proposal that increases the risk of unsuccessful contract performance.
Significant Weakness	A flaw in an offeror's proposal that appreciably increases the risk of unsuccessful contract performance.
Deficiency	A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.

Factor I – Organizational Experience

Experience is the opportunity to learn by doing. An offeror's organizational experience is relevant when it has been confronted with the kinds of challenges it will likely face under the contract contemplated by this RFP. This evaluation will consider the breadth, depth and relevance of offeror work performed on Government contracts since 1 January 2012 in the following SOW key areas: 3.2 Engineering Support, 3.3 Technical Support, and 3.4 ILS Support. Relevance may include, but is not limited to, similarity to work contemplated under the RFP with respect to complexity, length of performance, number of tasks, scope, type of work, and value.

For evaluation purposes, ratings may be maximized for offerors who, in accordance with provision L-TXT-12, cited organizational experience references that collectively demonstrate maximum breadth and depth of relevant experience in the SOW key areas. In evaluating experience in each individual SOW key area, the Government will consider only the text designated in Part 15 of the Reference Information Sheet (Attachment 5 to the RFP) for that particular SOW key area. For evaluation purposes, it should also be noted that these SOW key areas will not be evaluated as subfactors.

Offerors that receive a Marginal or lower evaluation rating for the Organizational Experience factor will not be further considered for award. Such offerors will not be evaluated in Step Two: Cost Analysis; or Step Three: Tradeoff Process.

Factor II – Past Performance

The past performance evaluation is an assessment of the offeror's probability of meeting the solicitation requirements. The past performance evaluation considers the offeror's demonstrated recent and relevant record of performance in supplying products and services that meet the contract's requirements. In accordance with FAR 15.305(a)(2), the currency and relevance of the information, source of the information, context of the data, and general trends in contractor's performance shall be considered. These are combined to establish one performance confidence assessment rating for each offeror.

There are three aspects to the past performance evaluation. The first is to evaluate the recency of the offeror's past performance. To be deemed recent, the work must have been 1 January 2012. If a reference is not deemed recent,

that reference will not be evaluated in the second or third aspects of this evaluation factor. The second aspect is to evaluate the relevance of the offeror's past performance. An offeror's past performance is relevant when it is similar to the kinds of challenges that may occur under the contract contemplated by this RFP. Relevance may include, but is not limited to, similarity to work contemplated under the RFP with respect to complexity, length of performance, number of tasks, scope, type of work, and value. Past Performance relevancy will be rated as follows: Very Relevant, Relevant, Somewhat Relevant, or Not Relevant.

Rating	Description
Very Relevant	Present/past performance involved essentially the same scope and magnitude of effort and complexities this solicitation requires.
Relevant	Present/past performance involved similar scope and magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Present/past performance involved some of the scope and magnitude of effort and complexities this solicitation requires.
Not Relevant	Present/past performance involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

The third aspect of the past performance evaluation is to establish the overall quality of the offeror's past performance. Only recent past performance deemed Somewhat Relevant or better will be evaluated in this third step. The Government will review this past performance information (to include CPARS and/or questionnaires) and determine the quality and usefulness as it applies to a performance confidence assessment. The Government's performance confidence assessment will consider the Reference Information Sheets submitted by offerors, Past Performance Questionnaires submitted by offeror references, their own experience with offerors, and information from third-party references.

The Government will review this past performance information and determine the quality and usefulness as it applies to a performance confidence assessment as follows: Substantial Confidence, Satisfactory Confidence, Neutral Confidence, Limited Confidence, or No Confidence. Note: Pursuant to FAR 15.305(a)(2)(iv), an offeror without a record of relevant past performance, or for whom information on past performance is not available, may not be evaluated favorably or unfavorably on past performance. Such offerors will receive a neutral rating of Neutral Confidence. An offeror's Past Performance received one of the following ratings:

Rating	Description
Substantial Confidence	Based on the offeror's recent/relevant performance record, the Government has a high expectation that the offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the offeror's recent/relevant performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort.
Neutral Confidence	No recent/relevant performance record is available or the offeror's performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned. The offeror may not be evaluated favorably or unfavorably on the factor of past performance.
Limited Confidence	Based on the offeror's recent/relevant performance record, the Government has a low expectation that the offeror will successfully perform the required effort.
No Confidence	Based on the offeror's recent/relevant performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort.

Factor III – Small Business Participation

- (a) The Government will evaluate the total percentage of small business participation. The inclusion of each subcontractor in the cost proposal shall serve as evidence that the prime contractor and subcontractor have entered into a business agreement; no further evidence of a business agreement is required. Only the portion of small business participation that is both listed in the matrix and substantiated by the cost proposal will be considered in the evaluation.
- (b) The evaluation of this factor will result in a rating of either Unacceptable, Marginal, Acceptable, Good, or Outstanding. The Government will compare the total percent of small business participation to the following table:

Unacceptable	Marginal	Acceptable	Good	Outstanding
5.0% or less	>5.0% - 9.9%	>9.9% - 15.9%	>15.9% - 19.9%	>19.9%

- (c) A rating of unacceptable will be considered a deficiency and would only be correctable through discussions.

Step One – Evaluation of Non-Cost Factors

Step 1(a): Evaluation of Acceptability of the Offer

The Contract Specialist evaluated the acceptability of each offer in accordance with the SSP and RFP provision M-TXT-06. An “Acceptability of the Offer” rating sheet was completed for each offer. *The rating sheets document that (b)(5) and are included in the contract file.*

Step 1(b): Evaluation of Capability

The Government evaluated the non-cost factors for the offerors in accordance with the terms of the RFP.

Organizational Experience (Factor I)

As a result of the evaluation (b)(5)
(b)(5) In accordance with the terms of the RFP, (b)(5)
(b)(5) See the SSEB report for detailed evaluation of Significant Strengths, Strengths, Significant Weaknesses, and Weaknesses, and the assigned ratings.

Past Performance (Factor II)

See the SSEB report for the Government’s evaluation of SAIC’s proposal for Recency, Relevancy, and Quality of past performance. SAIC received (b)(5) or this Factor.

Small Business Participation (Factor III)

See the SSEB report for the Government’s evaluation of SAIC’s proposal for small business participation. SAIC received a rating (b)(5) this Factor.

Step Two – Evaluation of Proposed Cost

D. Cost/Price and Profit/Fee Analysis (FAR 15.305(a)(1))

1. Price Analysis (FAR 15.404-1(b))

- a. As stated in FAR 15.404-1(b)(2), the Government may use various price analysis techniques and procedures to ensure a fair and reasonable price. Examples of such techniques include, but are not limited to, the following:



- Comparison of proposed prices received in response to the solicitation. Normally, adequate price competition establishes a fair and reasonable price.
- Comparison of proposed prices to the IGCE (FAR 15.404-1(b)(2)(v)).

b. As stated in FAR 15.403-1(c)(1)(i), price is based on adequate price competition if two or more responsible offerors, competing independently, submit priced offers that satisfy the Government's expressed requirement and if:

1. Award will be made to the offeror whose proposal represents the best value to the Government where price is a substantial factor in source selection and;
2. There is no finding that the price of the otherwise successful offeror is unreasonable.

This action meets the definition of adequate price competition. All three offeror's (b)(5) (b)(5) in terms of comparison to the IGCE (b)(5) (b)(5) the following table compares the offerors' proposed prices to one another and to the IGCE:

Offeror	Proposed Price	Variance from Lowest Offeror	Difference from IGCE
IGCE	(b)(5)	N/A	0.00%
KES	(b)(3), 10 USC 2305g, (b)(4)		
MCKEAN			
SAIC	\$196,526,884.00	(b)(4)	

The variation between the ranges of offerors in comparison to the IGCE appears to be due to the competitive environment. Additionally, the IGCE was based on the utilization of a single composite rate for each labor category, whereas, the proposed rates were based on a hierarchy of up to eight levels for each labor category. The offerors (b)(3), 10 USC 2305g, (b)(4) Furthermore, a review of the IGCE indicates that the IGCE overstated the OH and Fringe rates.

2. Cost Evaluation (FAR 15.404-1(d)).

The Government evaluated the proposed costs of eligible prime contractor and its subcontractors that proposed (b)(5) In accordance with FAR 15.404-1(d), the solicitation advised offerors the Government would perform cost realism analysis on offerors' proposals. Further, the solicitation advised offerors: "[i]n a competitive environment, an offeror is incentivized to propose the lowest possible price; therefore, downward cost realist adjustments generally will not be made." For this reason, the cost realism analysis will focus on understated proposed costs. If the analysis of proposed costs suggests an overstatement, the Contract Specialist will assume the overstatement is the most probable cost to the Government.

RFP provision M-TXT-06 stated:

Proposed costs may be adjusted, for purposes of evaluation, based upon the results of the cost realism evaluation. In a competitive environment, an offeror is incentivized to propose the lowest possible price; therefore, downward cost realist adjustments generally will not be made. When a cost realism analysis is performed, the resulting realistic cost estimate will be used in the evaluation. Cost realism analysis may be limited to those offerors whose proposals represent the most likely candidate for award, based on the Government's technical evaluation and the offeror's proposed costs. In addition to easily identifiable cost adjustments, unrealistic cost proposals may result in a re-evaluation and concurrent rescoring of technical proposals. Such re-evaluation based on cost or realistic cost analysis could negatively impact the technical rating and ranking of the proposal. Depending on the number of offerors and the number and dollar amount

of proposed subcontractors, the Government may choose to limit the extent of the cost realism analysis of offerors' proposed subcontractor costs. In such instance, the Government will establish a threshold whereby individual subcontractor cost proposals that do not meet the threshold will not undergo a cost realism analysis. The threshold established by the Government may consist of a percentage of the prime contractor's proposed costs, or a dollar amount, or a combination thereof.

(b)(5)

The Government evaluated the following elements for realism and reasonableness:

I. Direct Labor

The contract specialist utilized the following order of precedence when evaluating direct labor rates:

1. When available, DCAA/DCMA Forward Pricing Rate Recommendation (FPRR) or Forward Pricing Rate Agreements (FPRA) were considered the most realistic rates, because they are calculated based on the weighted average of actual hourly salaries of all direct-charging employees within each labor category at a specific point in time. In the case of SAIC, the FPRR rates (b)(5) (b)(5). Finally, the rates are normalized based on the geographic structure associated with each employee's location. FPRR and FPRAs are considered the most realistic rates since they take into account actual historical averages.
2. In the absence of DCMA FPRRs, FPRAs, or historical minimum invoiced rates, the contract specialist relied upon DCAA's assistance in establishing direct labor rate recommendations, using San Diego, California as the locality, and North American Industry Classification System (NAICS) code 541330, Electrical Engineering Services. On 8 August 2017 the Contract Specialist provided DCAA with category descriptions for each of the labor categories. In its memorandum dated 12 September 2017, DCAA provided analysis of direct labor rates for each labor category contained in the solicitation. DCAA benchmarked their position utilizing the Economic Research Institute's Salary Assessor, 1 April 2017 database. This database is accessed by subscription only and, according to DCAA, is: "considered reputable in comparison to free web-based surveys because the survey data and statistical calculations are evaluated for quality by each survey provider. It includes information that free web-based surveys cannot provide. We do not use or accept data from free internet or web-based surveys for evaluating compensation because its reliability cannot be ascertained."

The Contract Specialist accepted DCAA's rationale for utilizing a subscription service for labor rate comparison. Furthermore, the Contract Specialist determined that the application of the DCAA recommended rates (rather than multiple sources of rates) to all offerors would promote consistency of realism adjustments where necessary.

DCAA provided the median base salary survey data for the San Diego, CA geographic area, and recommended using a plus or minus 10% range of reasonableness (ROR) application. The ROR is a range around a measure of central tendency to account for market variations (i.e. competitive range). The Contract Specialist relied upon DCAA's recommendation, and calculated a ROR using 10% below and above the DCAA median salary rates. The following table lists the labor categories and suggested rates by DCAA for this requirement used in any adjustment for the purposes of cost realism in the subsequent sections:

Labor Category	DCAA Equivalent	Low	Median	High
----------------	-----------------	-----	--------	------

(b)(4)	Program Manager	(b)(4)
	Project Manager	
	Systems Engineer	
	Systems Engineer	
	Network Engineer	
	Network Engineer	
	Network Engineer	
	Configuration Control Administrator	
	Configuration Control Administrator	
	No Match	No Match No Match No Match
	Computer System Analyst	(b)(4)
	Computer System Analyst	
	Design Engineer	
	Logistics Specialist	
	Logistics Engineer	
	Logistics Specialist	
	Technical Writer	
	Typist	
	Inventory Clerk	
	Forklift Operator	
	Quality Assurance Analyst	

* In the absence of DCAA FPRR or FPRA, invoiced actuals, or DCAA recommended rates for Computer Analyst, a contractor's fully burdened rate was evaluated against the lowest fully burdened rate from the three prime offerors, which ranged from (b)(4)

II. Labor Hours

The solicitation provided offerors with an annual level of effort to propose for each of the Government specified labor categories. Offerors were to map their internal labor categories to the solicitation's labor categories as they saw appropriate, and to provide the offeror's labor category. Offerors were also instructed to propose 70% of direct labor with Government site overhead rates and 30% with contractor site overhead rates.

III. Indirect Rates

The proposed indirect rates were compared to the DCMA and/or DCAA information and any inconsistencies were noted and subject to cost realism adjustments as appropriate. Provisional Billing Rates (PBR) were relied upon for indirect information only in cases where forward pricing or incurred cost submission information was not available from DCMA or DCAA.

In situations where DCAA/DCMA recommended changes to indirect rates due to discrepancies between DCAA/DCMA records, payroll data or industry statistical comparisons, the contract specialist utilized a 0.2% significance threshold of the discrepancy amount versus the total proposed cost. A 0.2% significance threshold allowed for minor deviations from DCAA/DCMA recommendations that were due to small changes in rates since the time of proposal. Discrepancies that were below the 0.2% threshold were considered "insignificant" and no cost realism adjustment was applied.

For proposed rates that were higher than input received from DCMA/DCAA, no adjustments were made based on the assumption this is a competitive environment, and contractors are incentivized to understate rather than overstate their rates. An upward adjustment was made in any instance where costs were considered understated.

IV. Material and ODC's

The solicitation provided offerors with unburdened annual material and ODC amounts, and instructed offerors to utilize those amounts with the offeror's applicable burdening. The estimated annual material and ODC amounts were based on historical data and projected needs of the Government. The solicitation allowed for G&A expenses or other loading factors on ODCs but not fee.

V. Professional Compensation

Re-competition of service contracts might, in some cases, result in lowering the compensation (salaries and fringe benefits) paid or furnished to professional employees. Provision 52.222-46 required the Government to evaluate the total compensation plan of each offeror to assure it reflected a sound management approach and understanding of the contract requirements. In accordance with instructions included in the solicitation, submission of Volume II in accordance with provision 52.222-46 fulfilled the requirement for a total compensation plan. The Contract Specialist evaluated SAIC's direct labor rates and fringe against historical actual data of the current multiple award contract in place as part of the assessment of the offeror's ability to provide uninterrupted high-quality work.

VI. Escalation

The escalation proposed from SAIC (b)(4) ranged (b)(4) applied to direct labor rates after year one. SAIC and its respective subcontractors proposed (b)(4) The escalation range of (b)(4) is consistent with rates experienced by current SSC Pacific contracts, such as Tactical Networks (N66001-15-D-0341) and Depot (N66001-18-D-0153). Based on this comparison, proposed escalation between (b)(4) will be considered realistic and reasonable. No further evaluation was conducted.

Prime Offeror – SAIC

a. Summary of Proposal (Total Cost – all years) – EXCLUDING Uncompensated Time:

SAIC's offer of \$196,526,884.00 included in Section B of the Standard Form (SF) 33 is the value that will be used for award purposes. (b)(5) in accordance with Section L of the RFP it was used to evaluate SAIC's most probable cost.

ELEMENT	PROPOSED	ALTERNATE Proposal Including Uncompensated OT	MOST PROBABLE COST	DIFFERENCE	NOTES
Labor	(b)(4). (b)(5)	(b)(4). (b)(5)	(b)(4). (b)(5)	(b)(4). (b)(5)	i.
Labor O/H					ii.
Labor Fringe					iii.
Subcontracts					iv.
Subcontractor Handling					v.
ODC					vi.
G&A					vii.
Material					viii.

Material Handling	(b)(4), (b)(5)		ix
Subtotal			
COM			x.
Fee/Profit			xi.
TOTAL	\$196,526,884.00	(b)(4), (b)(5)	

b. Provide a narrative addressing the individual elements of cost.

(i). Prime Direct Labor.

Based on guidance from the DCMA CACO and DCAA, SAIC

(b)(4)	
(b)(4)	
(b)(4)	(b)(4)
(b)(4)	(b)(5)
(b)(5)	

(ii). Overhead (OH) Rates

(b)(4)
(b)(4)
(b)(5)
(b)(4)

Proposed OH Rate vs FPRR	*CFY 2019	CFY 2020	CFY 2021	CFY 2022	CFY 2023
Propos					
FPRR -	(b)(4)		(b)(4)		
Difference					

(b)(4)

--

(b)(4)

Proposed OH Rate vs FPRR	CFY 2019	CFY 2020	CFY 2021	CFY 2022	CFY 2023
Proposed FPRR (b)(4)	(b)(4)				
Difference					

Proposed OH Rate vs FPRR	CFY 2019	CFY 2020	CFY 2021	CFY 2022	CFY 2023
Proposed FPRR (b)(4)	(b)(4)				
Difference					

(b)(4)

(iii). Labor Fringe.

SAIC proposed (b)(4)

(b)(4)

(b)(4)

Proposed Fringe Rate vs FPRR	CFY 2019	CFY 2020	CFY 2021	CFY 2022	CFY 2023
Proposed FPRR - (b)(4)	(b)(4)				
Difference					

(b)(4)

Proposed Fringe Rate vs FPRR	CFY 2019	CFY 2020	CFY 2021	CFY 2022	CFY 2023
Proposed FPRR (b)(4)	(b)(4)				
Difference					

(b)(4)

Proposed Fringe Rate vs FPRR		CFY 2019	CFY 2020	CFY 2021	CFY 2022	CFY 2023
Propose FPRR - Difference	(b)(4)	(b)(4)				

(b)(4), b(5)

(iv). Subcontracts.

The following table shows all the subcontractors SAIC proposed under this solicitation

(b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

Pages 23 through 26 redacted for the following reasons:

(b)(4)

(b)(4)

4. Evaluation of Compensation for Professional Employees.

Re-competition of service contracts may in some cases result in lowering the compensation (salaries and fringe benefits) paid or furnished professional employees. This lowering can be detrimental in obtaining the quality of professional services needed for adequate contract performance. It is therefore in the Government's best interest that professional employees, as defined in 29 CFR 541, be properly and fairly compensated in accordance with provision 52.222-46 of the RFP. As part of their proposals, offerors submitted information regarding salaries and fringe benefits proposed for the professional employees who will work under the contract. The Government evaluated the information submitted by SAIC to assure that it reflected a sound management approach and understanding of the contract requirements. This evaluation included an assessment of the offeror's ability to provide uninterrupted high-quality work. The professional compensation proposed was considered in terms of its impact in recruiting and retention, its realism and its consistency with a total plan for compensation.

For the evaluation of compensation plans, the Contract Specialist evaluated SAIC's proposed rates against historical, actual invoiced rates under contract N66001-15-D-0341. (b)(5)

(b)(5)

The Contract Specialist developed a range to evaluate professional compensation by compiling the fully burdened rates from a sample of nine invoices under N66001-15-D-0341, which covered a six month period spanning from 25 August 2017 to 21 February 2018 (b)(5)

(b)(5)

Labor Category	Labor Range Based on Fully Burdened Invoices	Percent of Effort
Program Manager	(b)(4)	(b)(4)
Project Manager		
Sr. Systems Engineer		
Systems Engineer		
Sr. Network Engineer		
Network Engineer		
Jr. Network Engineer		
Sr. Configuration Management Specialist		
Computer System Analyst		
Sr. Computer System Analyst		
Design Engineer (Electronic/Electrical)*		
Sr. Logistics Specialist		
Sr. Logistics Engineer		
Technical Writer		
Technical Typist		

(b)(4) labor categories in which rates were identified represent (b)(4) the overall level of effort (i.e. hours). SAIC proposed fringe rates ranging (b)(4)

(b)(4)

thus limiting impact on contract performance.

SECTION VII – OTHER PRE-NEGOTIATION INFORMATION.

A. The IGCE is based on future/projected needs and average rates from the contractor currently satisfying requirements for services

B. No exemptions to the Buy American Act or regulations are applicable. Consequently, the RFP and proposed contract contain all of the relevant Buy American Act clauses.

C. Purchase of data for competitive re-procurement is not applicable. No source code will be generated by the resultant contract.

D. The requirement of FAR 45.306 and 45.307 with regard to the acquisition of Special Test Equipment and/or Special Tooling is not applicable to this acquisition.

E. Pre-negotiation and fact finding sessions were not conducted for this acquisition.

F. Not-to-exceed prices are not applicable. This acquisition is not an Undefined Contract Action, Basic Ordering Agreement, or Change Order.

SECTION VIII - DECISION TO PROCEED.

Recommend approval to award a single IDIQ contract to SAIC under solicitation N66001-16-R-0118 as a five-year contract valued at \$196,526,884.00. Based on the analysis herein, SAIC's proposal represents the best value to the Government. Recommend award be made based on initial offers. The solicitation included FAR provision 52.215-1, which notified potential offerors that, "the Government intends to evaluate proposals and award a contract without discussions with offerors."

A. Competitive range (FAR 15.306(c)): Establishment of a competitive range is not necessary, because the Government will not conduct discussions.

B. Discussions (FAR 15.306(a)): Based on the analysis contained in SECTION VI – PRE-NEGOTIATION ANALYSIS, discussions/negotiations were not conducted. Provision L-TXT-12 SUBMISSION OF PROPOSALS (COMPLEX)(JUN 2017) states, "...the Government may award a contract without discussions as permitted by FAR 15.306(a) and 52.215.1-1)." The award is being made in a competitive environment; there is no expectation that discussions would appreciably increase the level of competition or provide a better value to the Government.

C. Three offerors submitted a proposal in response to the solicitation.

(b)(5)

(b)(5)

(b)(5)

No

discussions are necessary to make the award.

D. Best Value Decision:

In accordance with RFP Provision M-TXT-06 the following applies:

The contract resulting from this RFP will be awarded to the responsible offeror whose offer, conforming to the RFP, is determined to provide the best value to the Government, which may not necessarily be the proposal offering the lowest cost, nor receiving the highest technical rating. In order to select the winning offeror, the Government will rank the offerors under consideration for award from best to worst by making a series of paired comparisons among them, trading off the differences in the non-cost factors against the difference in most probable cost and proposed fee between the members of each pair, as follows:

- (a) If one acceptable offeror is better in terms of the non-cost factors and has the lower cost and fee, then the Government will consider that acceptable offeror to be the better value.
- (b) If one acceptable offeror is better in terms of the non-cost factors but has the higher cost and fee, then the Government will decide whether the differences in the non-cost factors are worth the difference in cost and fee. If the Government considers the differences in the non-cost factors to be worth the difference in cost and fee, then the Government will consider the acceptable offeror with the higher cost and fee to be the better value. If not, then the Government will consider the acceptable offeror with the lower cost and fee to be the better value.
- (c) The Government will continue to make paired comparisons in this way until it has decided which acceptable offeror is the best value.

- (d) As a result of the paired comparisons, the Government will rank the offers based on non-cost factors and cost.

Step Three – Tradeoff Analysis

However, based upon RFP provision L-TXT-12

(b)(5)

(b)(5)

(b)(5)

SAIC was the only offeror to be evaluated in Factor II Past Performance, Factor III – Small Business Participation, and Step Two: Cost Analysis and Step Three: Tradeoff Process. In addition to receiving

(b)(5)

(b)(5)

(b)(5)

In regards to cost, SAIC's

costs proposal as the prime in conjunction with the proposals of its (b)(4) subcontractors were evaluated and found to be fair and reasonable, as well as favorable in comparison to the IGCE and costs as the prime contractor were reviewed and found to be consistent with the DCAA FPRRs for both direct labor and indirect rates. As a result of SAIC's (b)(5) valuation ratings in all three non-cost factors combined with reasonable rates in comparison to the IGCE, the Government is confident that SAIC will be able to successfully deliver quality services on schedule, within budget, with proper management and usage of small businesses, while exercising compliance with applicable regulations and contract requirements.

SAIC was evaluated as the best value offeror after consideration of both cost and non-cost factors

(b)(5)

(b)(5)

Source Selection: I, Sharon Pritchard, the Source Selection Authority for this procurement, have independently reviewed all SSB evaluations and SSAC recommendations provided herein. As a result of such review, I have determined SAIC's proposal represents the best value to the Government and, therefore, SAIC to be the awardee.

SECTION IX – PRE-AWARD COMPLIANCES (If competitive, document specific information for each offeror):

Check if N/A	DOCUMENT/APPROVAL CHECKLIST	DATE
	Review of Online Representations & Certifications Application (FAR 4.1201(c))	See Note 1
	Determination of Responsibility (FAR 9.103) and financial stability (FAR 9.104-1(a)).	See Note 2
X	HCA Waiver of Cost or Pricing Data (FAR 15.403-1)	
X	Certificate of Current Cost or Pricing Data (FAR 15.406-2)	
X	Approved Make or Buy Plan (FAR 15.407-2)	
	Contractor's Estimating System determined acceptable by ACO (DFARS 215.407-5)	See Note 3
X	Pre-Award Disclosure Statement - Cost Accounting Practices and Certification (FAR 15.408)	
	Contractor's Accounting System determined adequate by CAO/DCAA (FAR 16.301-3)	See Note 4
X	Determination to make single award for IDIQ Advisory and Assistance Services over 3 years and \$13.5M (FAR 16.504(c)(2)(A) or (B))	
	Subcontracting Plan determined adequate (FAR 19.705-4)	See Note 5
X	Approval of SDB subcontracting goal less than 5% (DFARS 219.705-4)	
	EEO compliance requested/obtained (FAR 22.805).	See Note 6
	Verification of VETS-4212 Reporting Compliance (FAR 22.13)	See Note 7

	Disclosure Statement determined current, accurate and complete by ACO (FAR 42.302(a)(11)).	See Note 3
	Contractor EVMS verified compliant with DoD criteria by DCMA (DFARS 242.302(S-71)).	See Note 3
	Contractor Purchasing System determined to be approved by the ACO (FAR 44.304)	See Note 3
	Property System reviewed for acceptability by ACO (FAR 45.105).	See Note 3
X	Facilities determination and findings (DFARS 245.302-1).	
X	Compliance with DoD Instruction 7640.2 as supplemented by SECNAV Instruction 4330.16.	

Note 1: The recommended awardees' representations and certifications (reps and certs) were reviewed on the System for Award Management (SAM) website URL: <https://www.sam.gov/portal/public/SAM>, on 23 February 2018 for all offerors and again on 10 April 2018 for the awardee. All applicable reps and certs in SAM have been satisfactorily completed.

Note 2: The recommended awardee has been determined to be responsible within the meaning of FAR Subpart 9.1 and is financially stable. A search of the recommended awardee was made on the SAM website, URL: <https://www.sam.gov/portal/public/SAM>, on 23 February 2018 and will be checked again prior to award. (b)(5) exclusion records were found. FAPIIS was reviewed by CS on 27 March 2018. Because FAPIIS automatically identifies any negative report cards from the Past Performance Information Retrieval System (PPIRS), the contract specialist concluded that PPIRS (b)(5) These results are contained in the contract file.

Note 3: On 23 January 2018, the cognizant DCMA confirmed via email SAIC's compliance with the following:

- Contractor's Estimating System determined acceptable by ACO (DFARS 215.407-5). Approved 30 Sep 2013
- Disclosure Statement determined current, accurate and complete by ACO (FAR 42.302(a)(11)). Adequate 07 Apr 2017
- Contractor EVMS verified compliant with DoD criteria by DCMA (DFARS 242.302(S-71)). Approved 30 Sep 2013
- Contractor Purchasing System determined to be approved by the ACO (FAR 44.304). 10 Feb 2017
- Property System reviewed for acceptability by ACO (FAR 45.105). Approved 10 Oct 2017

Note 4: The acceptable offeror's accounting system is adequate for determining costs applicable to this contract in accordance with the limitation at FAR 16.301-3. This determination is based on the favorable findings of DCAA. See above cost realism section for the list of audit reports and DCMA ACO accounting system approval letters.

Note 5: Subcontracting Plan reviewed and determined adequate on 21 May 2018.

Note 6: In accordance with FAR 22.805, EEO compliance certifications for SAIC and subcontractor (b)(4) (b)(4), (b)(5)

Note 7: VETS Form 4212 confirmation for SAIC was confirmed by the Department of Labor (DOL) via email on 27 February 2018.

SECTION X – POST-NEGOTIATION

NOT APPLICABLE. Negotiations were not conducted. This is a pre/post clearance.